

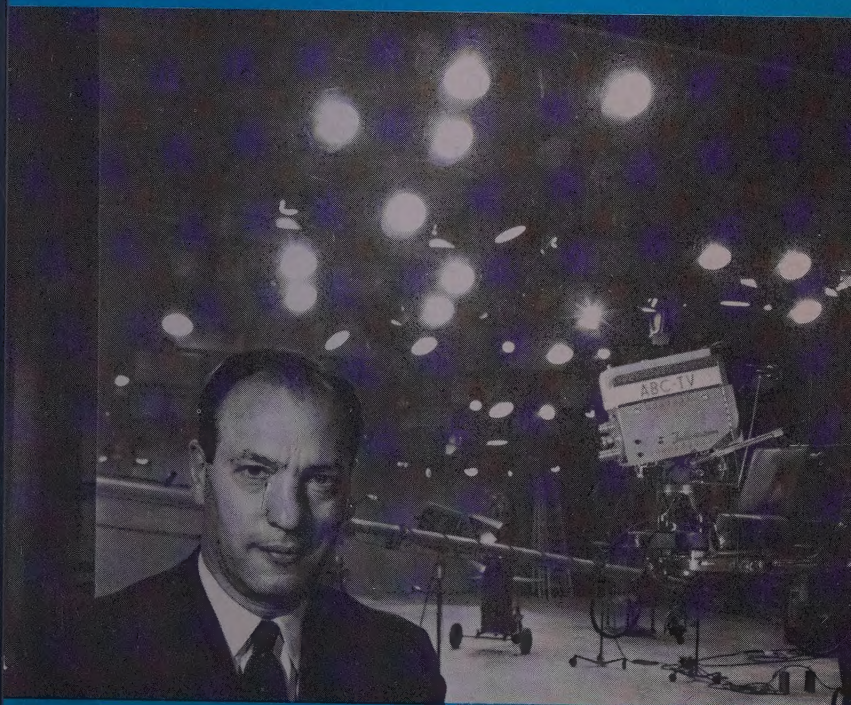
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Investor's CHICAGO Reader

For a better understanding of business news

August 31, 1960



LEONARD GOLDENSON BRIGHTENS ABC-TV SCREEN (see page 20)



HERCULES ON GUARD

No insects dare make passes at the miss stretched out on this Julee Manufacturing beach roll. It is impregnated with Hercules Powder Company's Metadelphene, "the best all-purpose insect repellent so far" which was originally developed by the US Agriculture Department for the Armed Forces. The powerful Hercules tick, chigger and mosquito shunner is also supplied for sleeping bags and other outdoor gear as well as for ten other insect repellent marketers including wax manufacturer S C Johnson ("Off!").

Metadelphene is among a constant flow of new products introduced by progress-minded Hercules Powder, a 1912-created explosives producer (still believed second to Wilmington neighbor and ex-parent duPont in this category) which started its diversification right after War I. It makes polyester synthetic fiber ingredients and many paper treating and protective coating chemicals. It has entered the competitive but growth-promising fields of high-density polyethylene (trademark: Hi-fax) and polypropylene (Pro-fax). Its Spiralloy filament-wound, resin-bonded glass fiber goes into "lighter-than-aluminum, stronger-than-steel" pipe. Its year-old rocket engine research center in Utah has just been awarded a contract for the third-stage propulsion system of Boeing's Minuteman.

Recent financial results have also been impressive. On \$284,000,000 volume Hercules last year jumped to record earnings of \$23,400,000 or \$2.72 a common share from \$2.04 a share the previous year and an old high of \$2.30 in 1956. Unlike many colleagues it has managed a further gain in the first half to \$1.46 a share v \$1.36. But its stock has moved even faster to last week's alltime high of 78 $\frac{3}{4}$ v 55 early this year.

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Investor's Reader

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August 31, 1960

BUSINESS AT WORK

WALL STREET

Research on Research

As a matter of policy the INVESTOR'S READER seldom publishes news about Merrill Lynch. We think the following story is a warranted exception.—Ed.

FROM COAST TO COAST last fortnight newspapers, TV and radio carried the news Merrill Lynch had given the University of Chicago \$50,000 to start a research project on the stock market.

The New York Times wrote: "The University promises no miracles but holds out the hope that 'definite answers to hundreds of basic questions' will be provided which might be worth millions to investors.

"The University seeks light on basic questions such as these:

"What makes stock prices go up and down?

"How important are earnings and dividends in determining the price of a stock?

"On the basis of the record is an investor better off buying blue chips or more speculative issues?

"Does the stock market anticipate business or does business anticipate the stock market?

"What substance is there to the various theories advanced by chartists? For that matter just how reliable are any of the theories?"

The Wall Street Journal reported: "University researchers aim to compile a complete record of such things as all yearly earnings, cash and stock dividends, monthly closing prices and trading volume, changes in common shares outstanding, stock splits, rights, options and so on for every single common stock listed on the Big Board for the past 35 years."

The New Orleans Times-Picayune added: "The information will be on Univac tape * * * which will ultimately be available to other colleges for research work. The project will

be expanded to include bonds, preferred stocks and unlisted stocks. Special studies will be undertaken on behalf of banks, insurance companies, investment firms and others."

The Houston Post said: "For generations Americans from Tomball to Wall Street have been trying to find out what makes the stock market tick * * * Fortunes have been made and lost but for the most part permanent analysis of the market has been futile. Now the approach will be scientific * * * First results are expected in the Spring."

In a short item the *Cleveland Press* wrote: "Merrill Lynch president Michael W McCarthy said that findings by the new center should help establish new techniques for analyzing security markets."

Unlike a Rose

CORPORATE name changes are all the rage in this fast-moving era. Companies may pick new monikers to hint at affiliation with a glamor industry or disaffiliation from an unglamorous one or just a generally broadened scope. Sometimes however it would seem a single switch is insufficient to project the proper new corporate image.

Take for instance the company once known as Atlantic Coast Fisheries, a Boston-based processor of seafoods which has diversified into metals and chemicals (and moved to Hoboken). Two and a half years ago it drew attention to its new status by becoming Atlantic Coast Industries Inc. Last week stockholders rechristened the company Atco Chemical-Industrial Products Inc.

AVIATION

North American Roundup

THE DECISIVE speed and height records set this month by the X-15, with promise of faster and steeper records soon to follow, brought joyous satisfaction to US space boosters—and particularly to the often-harassed gentlemen in the low-slung buildings across Imperial Highway from Los Angeles International Airport where North American Aviation Inc (NV in Big Board shorthand) makes its headquarters.

The NV satisfaction is not primarily monetary. The handful of X-15 rocket planes actually ordered have all been built and "from here on out the project is all research studies." But these, as an NV vp points out, are "pretty damned important" from a national and space science standpoint.

And if the X-15 is a minor factor in profits, the craft's proud developer & builder can take satisfaction in a good overall financial showing, especially in the wake of the budgetary emasculation of the nation's supersonic-cruising military aircraft program. During the nine months ended June volume of \$717,000,000 stayed within 4% of last year's fast pace. Even after a goodly boost in R&D spending, profits were a respectable \$2.03 a share *v* \$2.70.

Company officials shy from full-year predictions but Wall Streeters figure sales should come close to a billion in the year ending September with earnings in the \$2.90 area. This would compare with fiscal 1959's \$1,045 million sales (second-highest ever) and \$30,700,000 or \$3.78 a

share in net income (third best).

During fiscal 1961 results are apt to climb again. Volume could approach the \$1,244 million record of 1957 and net bounce back to last year's altitude even if the rarer atmosphere of 1957's \$4.23 a share may resist challenge.

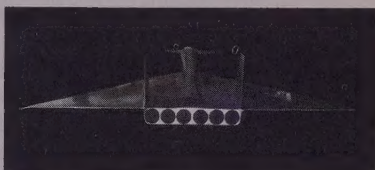
In back of NV's basic stability and strong recuperative powers is an extremely well-diversified organization with special strength in instrumentation and rocket propulsion. There has been an accelerated trend toward non-aircraft activities. Chairman James H ("Dutch") Kindelberger points out aircraft sales represented 67% of the total in fiscal 1958, only 57% in 1959. President Lee Atwood adds: "About 60% of our employees are now engaged in non-aircraft work, indicating that more than 50% of our future sales will be in the fields of electronic equipment, rocket engines, atomic devices and missiles."

Guided Budget. The shift from aircraft was not all voluntary. A big factor which triggered the switch was last Fall's cancellation of the F-108 long-range interceptor and the downgrading of the B-70 heavy bomber to a mere prototype program (both 70 and 108 were to be 2,000 mph planes). But the B-70 program at least is showing signs of more vigorous life. An insistent Congress added a \$265,000,000 appropriation earmarked for the big bomber plus another \$100,000,000 to be allocated to either an interceptor or bomber project. The President and Defense Secretary Gates have indicated they may permit some of this

money to be actually used but as of presstime no definite action has been announced.

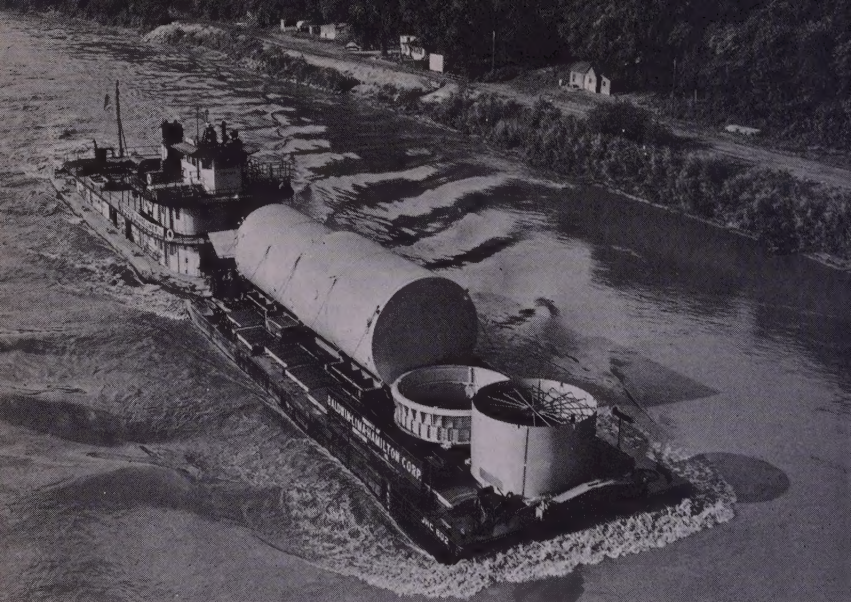
North American however does have a number of other manned plane projects at its Los Angeles and Columbus, Ohio plants. It is in full production on the T-39 twin-jet utility trainer for the Air Force and A3J attack jet for the Navy. Only last week it received a \$168,500,000 follow-on contract for the A3J which should carry the program well past 1961. It also turns out T2J Navy trainers but production is being phased out.

Guided Hound. In missiles, NV is busily turning out the GAM-77 air-to-surface Hound Dog which is now operational as a long-range striking arm for the B-52 bombers.



The B-70: only a model today

But the big divisions in today's NV are Rocketdyne and Autonetics. Rocketdyne took an early lead as a liquid fuel engine expert. It has powered most large US missiles. Top current production job: engines for the Atlas. It has also supplied the main-stage propulsion for 26 out of the 29 successful US space probes. Now Rocketdyne is at work on the 1,500,000-pound thrust engine for the Saturn space probe vehicle which is to be able to boost a 25,000-pound load into orbit when it becomes operational in



162 tons of nuclear equipment afloat to Nebraska

1963 (the engine is in test stage now).

Under development is the F-1 for a yet more powerful space thrust — it will develop 1,500,000-pound thrust in a single engine while the Saturn power will be developed from a cluster of eight lesser rockets. The Space Administration is thinking further ahead to a 12,000,000-pound thrust cluster of F-1s to orbit payloads of 150,000 pounds.

Rocketdyne has also moved actively into solid fuels — at first largely through a joint NV-Phillips Petroleum venture called Astrodyne at McGregor, Texas. Last September Phillips sold out its interest and now Rocketdyne operates the McGregor plant directly.

Guided Computer. Autonetics, whose 21,000 employees (up from 12,000 within a year) make up

nearly a third of NV's 67,000-man work force, provides inertial guidance equipment not only for planes (including all F-104s in Europe and Japan) but subs including the pole-traversing A subs and surface ships as well. It will provide the guidance for the Boeing Minuteman missiles some of which, to avoid enemy pin-pointing, may move continuously on special railroad flatcars while constantly alert for firing orders.

Autonetics is also in the sophisticated solid state, small computer business with its Recomp which "is coming along slowly, but definitely coming." Aimed especially at process control operations and other specialties, NV actively looks for both Government and private orders.

NV has also long been interested in atoms. While the Atomics division is still small in terms of volume and

largely a "research-type" venture "for the long haul," it was able to put its red ink away two years ago. It is busy installing a power reactor at Hallam, Neb (equipment was barged up the Missouri this Summer — see picture) which is to be completed in 1962 and another type at Piqua, Ohio slated to go critical next July. It operates a big new lab in the Santa Susana mountains (where Rocketdyne also has major test facilities) complete with hot cells and mechanical monsters for handling the radioactive stuff.

In addition, the NV divisions are busy on a flock of interesting sidelines. One example: the world's largest radio telescope reflector (600-foot diameter) for the Naval Research Lab in West Virginia.

In short, NV plans to keep a flight schedule which is busy — and profitable.

MACHINERY

Great Days At Whitin

FOR THE FIRST TIME in its 129-year history, textile machinery specialist Whitin Machine Works of Whitinsville, Mass last week disclosed its mid-year operating figures. In his concise green & white report president John Hugh Bolton indicated the seemingly long delayed step was taken so the 2,300 stockholders of Whitin (pronounced White-in) "would be better informed of current conditions." Later he admitted: "We've been under pressure to do this for some time."

The new policy is well timed — at least the figures show considerable progress this year. In the six months

ended July 2 sales were \$35,000,000 and profits were \$2,547,000 or \$3.56 a share on 715,000 shares outstanding. No comparable figures are available but for the full year 1959 sales were \$49,000,000 and profits a meager \$592,000 or 83¢ a share. As recently as 1958 sales for the year were \$31,600,000 and the company was \$1,886,000 in the red.

A big factor in the reported 1959 gains was the acquisition that April of American Type Founders. However president Bolton makes it a point to note: "Our sales of textile machinery for the year were in themselves substantially higher than a year ago." A more important impact on the income statement came from a substantial excess on the books of net assets acquired over the \$2,800,000 ATF purchase price. As a result Whitin's 1959 report included \$991,000 (out of total pre-tax income of \$1,460,000) which represented amounts "realized in excess of the costs of the notes and accounts receivable purchased" from ATF.

According to the annual report "additional amounts aggregating around \$1,200,000" are expected to "be realized in 1960 and 1961." However a company spokesman maintains half-year figures include "no non-recurring gains."

President Bolton who has presided over Whitin since 1946 attributes much of the good current showing to "an upturn in the textile machinery business which began just about a year ago." In the semi-annual report he says simply: "We operated at a very high level of ac-

tivity during the first half * * * while we do not anticipate that the second half will be quite so good, everything points to a very fine year." When contacted in Whitinsville last week he would not give definite estimates but spoke optimistically of 1961 as well.

Whitin's business is historically wildly cyclical like the industry with which it works. For instance its most recent profit high of \$4,668,000 (\$6.57 a share) was in 1951 and was followed by \$1,348,000 (\$1.90) in 1952 with the drop blamed on a "world-wide textile depression." Six years later came the big deficit which is the alltime low.

Nonetheless Whitin's overall record is one of long-term growth and industry leadership. The company was founded on its present site in 1831 by John C Whitin who developed the cotton picker (an impurity-

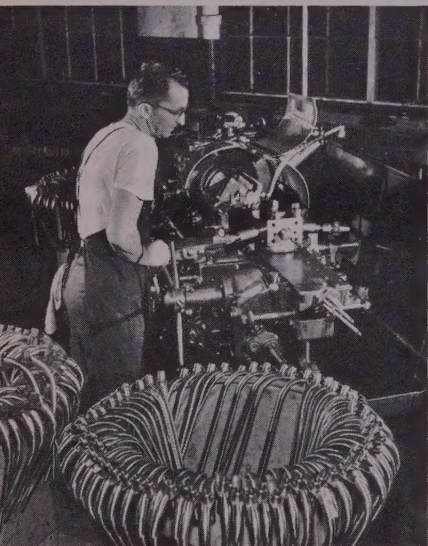
removing machine for the mill, not a harvester for the cotton field). Today it is the largest US maker of preparatory (non-weaving) textile machinery.

Its main plant on the banks of the Blackstone River in little Whitinsville is the largest such textile facility in the world. It covers 75 acres of floor space, includes 32 buildings and employs nearly 5,000 people, only slightly less than the town's population. Whitin has grown to its present size of over \$42,000,000 total assets without any outside financing. Equally important, its products are known all over the textile world.

Venture Out. With obvious advantages in a broader base, Whitin has emphasized diversification in recent years. An early venture which misfired was Harvey Wells Electronics of Southbridge, Mass. This was purchased in 1957 but sold last fortnight because of "continuous losses." Says a company spokesman: "The sale will help rather than harm our year-end statement." In 1958 Whitin made a happier selection with the purchase of Fayscott Landis Machine, a veteran maker of shoe repair machinery. Whitin moved the Landis plant from St Louis to Dexter, Maine where it is reportedly "contributing nicely" to earnings.

Last year came the acquisition of 68-year-old American Type Founders (the business once formed the base for today's Daystrom Inc). Whitin and ATF which makes type, presses and other graphic arts needs had been associated since 1956 when Whitin began to distribute, service and later build ATF equipment.

Start of a roving frame



Further acquisitions are reported likely though "nothing is now on the fire." The way was cleared earlier this year when Whitin increased the authorized number of common shares to 1,200,000. Of the new shares 430,000 were designated "for acquisitions to diversify." Meanwhile almost anything might happen as a result of a deal signed last Christmastime to help supply a Russian textile plant with \$20,000,000 of machinery. Whitin already has an operation in Germany.

Considering the nature of its business, Whitin common shares have been steady performers in the over-the-counter market. Since 1948 they have ranged from a high of 34 in 1951 (adjusted for a 2-for-1 split that year) to a low of 13½ two years ago. In at least five years the range for an entire year was less than 5 points. The price last week was about 31.

Part of this stability reflects the company's dividend record — cash payments have been made every year since 1887. Through September this year the directors have declared a conservative 55¢.

MUNICIPALS

Puerto Rico Power

THE JOB of putting the kick in Puerto Rico's famous "Operation Bootstrap" is proudly held by the Puerto Rico Water Resources Authority, a body corporate and politic which deals incidentally with water and much with electric power. In fact it provides 99% of the juice for the Island.

As most investors know, "Opera-

tion Bootstrap" (IR, Jan 12, 1953 *et seq*) is Puerto Rico's drive to attract industry to its shores and provide the populace with a more dependable and varied economy than possible when the people relied almost entirely on sugar and rum. The Water Resources Authority is one of three major authorities created by the Commonwealth Government to attend to essential services. The others are the Aqueduct & Sewer Authority and the Ports Authority.

Just since 1952 the demand for electric power from manufacturers has risen from 197,000 kwh to 484,000 in 1959 though the actual number of manufacturing customers has only grown to 3,082 from 2,935 eight years ago. As the heavy side of electric consumption grows, so grows the residential category. In 1952 the 159,000 residential customers averaged less than 1,000 kwh; in 1959 the 325,000 residential customers consumed over 1,500 kwh each and by now the figure is around 1,600. Puerto Rican residential consumers however still have a long way to catch up with Mainland residents who burn an average 3,577 kwh.

Taking a longer view, electric demand has doubled every five years. With this growth the system has naturally had to grow. The authority has four steam generators with a total of 260,000 kw capacity, two others slated to bring another 165,000 kw into production later this year and one 82,500-kw unit set for completion in 1962. In addition it generates 108,000 kw by means of the 18 hydro-electric stations from



Pole planting in Puerto Rico

which it originally derived its name. Slated for completion in 1962 is a 16,500-kw nuclear power station.

With a peak load capacity of 344,000 kw in the June 30, 1960 year, the Authority is looking for step-ups to 404,000 in fiscal 1961, to 466,000 the following year and 535,000 the year after that. Revenues from customers were running at the rate of \$41,900,000 for fiscal 1960 compared with \$36,900,000 a year earlier and \$20,000,000 five years ago. On the basis of probable expansion of both consumption and facilities, the Water Resources Authority's engineers and economists are predicting revenues of over \$60,000,000 by fiscal 1963.

While its growth has been sharp the Puerto Rican operation is still relatively small. Compare it for instance with Niagara Mohawk in Upstate New York which has generat-

ing capacity of 3,296,000 kw, took in electric revenues of \$221,300,000 in 1959 and has 1,100,000 electric customers.

To finance its birth and growth, the Puerto Rico Water Resources Authority has borrowed over \$241,500,000 on the Mainland, of which \$46,000,000 has come from the Rural Electrification Administration, the remainder from institutional investors and the public. These bonds are paid for entirely from the revenues of the Authority. The most recent issue was floated in April and consisted of \$20,000,000 in revenue bonds of various maturities stretching from 1962 to 1997. Largest slug of the issue is the \$10,375,000 of 4 $\frac{3}{8}$ s due in 1997. Like the issues of Mainland states, cities and authorities, the income from these bonds is exempt from Federal taxes. Recently the issue traded at 102 $\frac{1}{4}$ (compared with 100 at issuance) for a yield of 4.25% to maturity.

While the Authority has been a liberal issuer of bonds in the past and contemplates three definite issues in the next three years, there is an automatic check on any hasty financing: current revenues must be such as to cover 150% of debt service charges on both the outstanding debt and any new issue being sold. Right now the Authority's coverage is a handsome 176%.

For the record: The firm of Merrill Lynch, Pierce, Fenner & Smith has been a member of underwriting groups and trades in a number of issues of Puerto Rico Water Resources Authority bonds, including the recent one.

WORLD ECONOMY

Bulls Across the Sea

EACH MONDAY *The New York Times* devotes a considerable part of its financial section to a review of foreign stock markets. Last fortnight the headlines were cheerful indeed:

STOCKS IN LONDON
ADVANCE BRISKLY

SWISS MARKETS
BOOMED IN WEEK

STOCKS ADVANCE
ON DUTCH BOARD

MANUFACTURING

Bell & Gossett Reports

GENIAL, free-talking R (for Robert) Edwin Moore was an American Radiator salesman when he met Earl J Gossett on the Westward Ho golf links in Chicago in 1925. A year later Ed Moore went to work for Bell & Gossett Company of Chicago suburb Morton Grove as manager of the heater division. In 1931 he became vice president and in 1956 president when Earl Gossett took the company's chairmanship.

Now a \$17,800,000-assets company, Bell & Gossett was started in 1916 by Earl Gossett and W C Bell as a producer of heat treating materials. The company steadily expanded its lines which now include heating and cooling systems, compressors and industrial pumps as well as electronics, electric motors, chemical products and recreational equipment.

Despite the variety, however, the main business is still heating equipment which president Moore figures brings in about 40% of sales. B&G boasts "the most complete line" of specialty devices used in central hot water heating systems. Its equipment permits a single medium (water) not only to heat the building during the heating season but also cool it during the summer and supply hot tap water throughout the year.

Ed Moore argues water is the most efficient medium for space heating and cooling because a small volume of water can: 1) hold a large amount of heat, 2) move it (with B&G's wide variety of pumps) economically in small pipes from the heat source to a desired location and 3) keep its flow under close control.

By applying the easy-to-control water circulating principles to air conditioning systems Bell & Gossett has built its cooling business so it brings in 15% of total sales. Ed Moore professes great interest in heat pumps, the as-yet-costly and sparsely used system where heat is automatically supplied to the house or drawn away (ie, cooling) with the aid of a buried even-tempered water tank outside. Since electric motors are integral parts of any heating or cooling system, the company also manufactures just about all the motors it uses—well over 300,000 a year.

Closely related to its main business is heat transfer equipment (actually the heat pump is one special application). This equipment goes

to most every industry which uses processes involving the exchange of heat between liquids and gases. So far at least B&G has not furnished any heat exchangers for atomic reactors. However, the company is actively engaged in experimental atomic work.

Pumps No 1. Biggest single B&G sales item is pumps. This line is of course closely allied to B&G's main business since many go into the company's heating and cooling systems. The company first started to produce pumps in 1931. In 1953 it acquired Marlow Pumps of Midland Park, NJ and still markets all its pumps under the Marlow name. Aside from use in heating and cooling systems, Marlow pumps have also found many industrial applications in construction, irrigation, oil product handling, swimming pools. Another major application is dry cleaning machines where Ed Moore says Marlow supplies "about 95% of the pumps."

B&G offers a large number of currently minor products which bring in only 5% of sales but persuasive Moore feels some of these offer excellent possibilities for future growth. One example: oil-less air compressors equipped with carbon pistons for use in business machines, dental equipment, paint sprayers and other applications where oil could be harmful.

For over ten years the company has been developing the Dualex electronic system for use in the printed communication field. B&G also makes a selective call system. Both these devices now serve the Armed

Forces. While president Moore has "high hopes" for this end of the business, sales to date (principally to the Government) have been relatively small. Affable Moore is also optimistic about B&G's sporting goods, speculates about a "sling-shot powered fishing reel" while plugging a better turtle trap and exhibiting a super-sharp hunting knife which finds use in an Air Force survival kit.

In both major and minor lines the company is constantly looking for ways to improve its existing products or come up with new ones. To this end, it spends approximately 5% of sales on research. One result, for example, has been the development of Remite, which is a combination of metal and ceramics. An almost diamond-hard material, it is used as a seal in B&G's pumps where it virtually eliminates leakage problems. President Ed Moore envisages a wide range of other applications in products where the qualities of hardness and durability are important.

All told B&G has managed to grow over the past decade. Company sales have almost doubled to \$29,740,000 in the year ended last November 30. During the same period earnings have increased more moderately from \$1,271,000 or 81¢ a share in fiscal 1950 to \$2,040,000 or \$1.30 last year. In the first seven months of fiscal 1960 sales are up slightly over year-ago levels while earnings are just even (59¢ a share). High-powered salesman Moore expects another rise in volume for the full year but makes no earnings predictions.

International Silver Polishes Profits

**Company's Wider
Diversification Adds
Luster to Sales**

WHILE NOT PAVED with silver the path of diversification appears to be paying off for the world's No 1 silversmith, \$41,000,000-assets International Silver Company of Meriden, Conn. President Craig D Munson recently announced the company netted \$1.93 a share for the first six months of 1960 v \$1.34 last year. He attributed the highest first half earnings in five years to "more efficient and profitable operations, particularly from recent acquisitions." Meantime total volume showed merely a "minor rise" in the first half (actual figures are reported only annually) with silverware sales slightly ahead of last year.

Diversification has been an International aim ever since imports of Japanese stainless steel began seriously to undermine its silver profits. Says Craig Munson: "We are anxious to reduce our dependence on the silverware business and are actively campaigning for acquisitions. As a long-range objective I would like to see us balance \$60,000,000 of silver business with half that amount in non-silver by 1965." This schedule calls for a 20% increase in silver sales and a tripling of Internationals estimated \$10,000,000 non-silver trade.

International sales climbed sharply after War II as the result of consumer needs later supplemented by up to \$20,000,000 a year in defense work during Korea. This produced

a peak volume of \$70,900,000 in 1953. By 1957 sales eroded to \$48,800,000. By last year they recovered to \$57,100,000.

Peak profits year was 1948 when the company earned \$7,800,000 or \$20.50 a share. The postwar low, was \$1,237,000 (\$2.43 a share) in 1957. By last year earnings too had recovered to a more respectable \$2,010,000 (\$4.55 a share)—thanks to International's recent diversification program and also to the abandonment in 1958 of jet engine blades, a facet of the business which had been in the red the two previous years.

International's non-silver strength comes from Eyelet Specialty acquired in 1958 and Times Wire & Cable which became wholly owned this year. Eyelet's specialties—lipstick cases and other containers for the growing cosmetic industry—account for around 15% of International sales, even more of profits. Times which makes coaxial cables and specialty wires lost \$49,000 (non-recurring) last year but has contributed 7% to reported earnings since its January consolidation.

Of course 62-year-old International's fortunes still hinge on its tableware which ranges from low-priced plate as well as stainless to the finest sterling. But here too president Munson looks for an upturn. One bright factor is long-sought tariff relief from Japanese stainless imports. A twelve-month quota on low-cost stainless flatware proclaimed last November was filled by May causing a duty increase on subse-



Silversmith Munson's brassware

quent shipments. Comments Craig Munson: "This should help us expand our sales though it's too early to judge how much."

Second half sales are traditionally higher and president Munson is particularly optimistic this year because "for the first time all our advertised lines of sterling, silverplate and stainless steel are offering new patterns—which is unusual in our business." He adds: "Our salesmen have been out five weeks and response so far looks promising."

A further sales boost is expected when International introduces its new solid brass giftware line next month. Initially the line will include 49 items of table and wall decorations ranging in price from \$4-to-40. And unlike silver they will be marketed in giftware departments which Craig Munson hopes will bring the International name before a host of new customers.

International directors are also

becoming more hopeful again. From the \$6 paid in 1949-51, they had repeatedly cut the dividend to \$1.50 in 1958. After continuing this 37½¢ quarterly rate through most of 1959, they cheerfully doubled the payout to 75¢ a quarter starting last December, threw in a 2% stock dividend in May.

On the Big Board the 372,000 International shares (symbol: INR) have also responded to the silver lining. They climbed from a low of 22 in 1957 to a recent high of 58, currently trade in the mid-fifties. But this is still short of the more polished days of 1950-52 and again in 1954-56 when INR shone brightly above 60 with an alltime high of 74¼ in 1955.

INSTRUMENTS

Fischer & Porter Gauges Rise

IN THE highly competitive instrument and data recording field many a small company manages to win a place. One is the \$13,600,000-assets Fischer & Porter Company of Hatboro, Pa which last month won a \$601,000 contract for Naval test equipment. F&P president Kermit Fischer states: "Four years ago we bid on such a contract but lost out to the Brown division of Minneapolis-Honeywell; now there's a new contract and the Navy wants our equipment."

For the Navy's Air Turbine Test Station at West Trenton, NJ F&P will furnish a system which will record performances of both new and old turboprop, turbojet, ramjet and pulsejet engines under simulated flight conditions. Pressures, temper-

atures, voltages and other special measurements will be fed simultaneously via magnetic tape to data processing equipment which will present the information in computed form. The F&P data acquisition and computation system must operate within one-twentieth of 1% accuracy (normally one-fourth of 1% is considered good).

Executive vp Robert Lane explains: "Our 'logger system' is a high-speed, high-accuracy network of computers. It is not really a new development but a special refinement of what we already have."

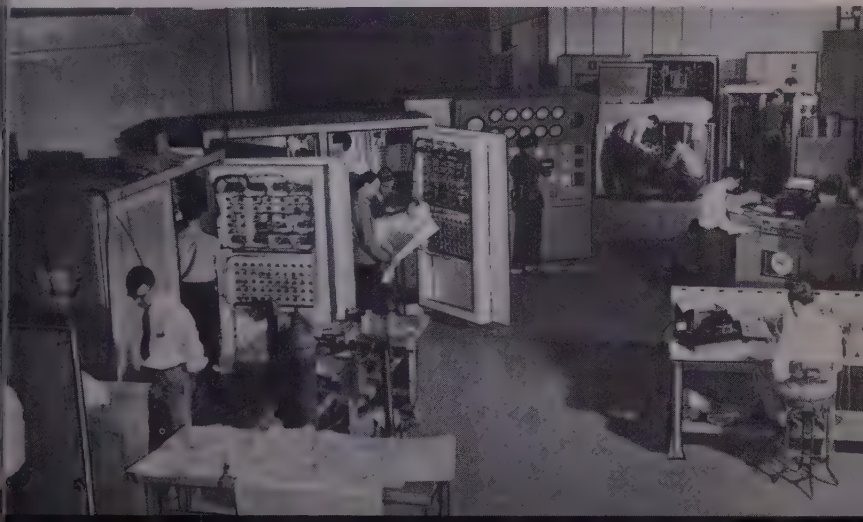
Special refinements which custom-tailor products to consumer demand have become standard procedure for F&P which has 250 engineers on the job. The company offers an exhaustive inventory of process instrumentation, data reduction and automation systems, water and sewerage treatment equipment and lab and industrial glass products.

F&P's biggest item is flowmeters. One specialty is an obstructionless Magnetic Flowmeter developed three years ago as an answer to "tough fluids" which had resisted measurement by other flowmeters.

One of the by-products of F&P research is a small packaged chlorinator for private swimming pools which works effectively in place of larger, considerably more expensive units. F&P diversity extends to customers as well as products. DuPont, the largest customer, accounts for only 3% of total sales which reached a record \$16,900,000 in the year ended April 1960. Net income came to \$306,000 or 85¢ a common share. The fiscal 1959/60 profit was up sharply from the \$166,000 and \$146,000 of the two preceding years but did not match the 1956/57 high of \$487,000.

Explaining the profit drop in the intervening years president Fischer frankly cites miscalculation of de-

F&P builds Navy system



velopment costs in contracting to deliver entire automation control systems. But he adds: "We are now clear of all unsatisfactory contracts and are operating only on a profit basis." Financial vp R Henry Seelaus happily reports: "we can now offer entire control cycles."

Through subsidiaries and affiliates F&P has plants in seven foreign countries, an operation which "gives us much satisfaction." Vice president Seelaus says they provide far wider profit margins than the 1.8% realized in the US last year. This year the foreign holdings are expected to show a 30% sales boost to \$4,000,000.

At home F&P has \$4,000,000 debt and 122,000 shares of 50¢ preferred ahead of 288,000 common shares and 235,000 shares "Class B common." The latter become convertible share-for-share into regular common at a 14,600-share-a-year rate. Meantime the Class B shares are entitled to ten votes apiece but cannot partake in cash dividends until the common gets \$2 for the year. It never has. Maximum payment was 20¢ in 1956-57 and the last distribution was a nickel in 1958. However 2% in stock was paid this year. Nearly all B shares are held by president Fischer who at present has "no intention of converting them."

Harsco Cuts Wide Swath in Steel

Makes New Metal
From Old Slag,
Builds Gas Cylinder Volume

ONLY A DECADE AGO Harsco Corp — then Harrisburg Steel Company — operated a single plant in the Pennsylvania capital and had a tidy but comparatively small business turning out cylinders for industrial gases. Now Harsco is a diversified company with nine divisions, a growing business in its original field and another expanding specialty — reclamation of metal from blast furnace slag, a service performed by subsidiary Heckett Engineering.

Solidly built president Joseph T Simpson capsules the results: "In 1949 our sales were just a little over \$7,000,000. In 1959 they totaled nearly \$94,000,000. For 1949 our net income was \$418,000 or 47¢ a

current share; last year it was \$7,-445,000 or \$2.39 a share."

The key step in Harsco's diversification was the acquisition of Heckett in 1953. Joe Simpson labels it not only the largest division but also the most promising. It now operates three times the number of plants it did when acquired.

Says Joe Simpson: "Heckett is the world's largest operator of installations for reclaiming metal from steel-making slag." It currently has reclamation facilities operating at 34 plants of major steel companies here and abroad — 21 in the US, three in Canada, four in Britain, two in Australia, two in South Africa and one each in the Netherlands and India. It works from a process developed by Harsco chairman Eric Harlow Heckett and "extracts a

larger percentage of the metal from the slag than can be obtained by any other method and delivers it at prices which make the use of this source very advantageous."

A typical Heckett installation, such as the one at Big Steel's Fairless Works, involves installation of several pieces of highly specialized machinery plus materials handling equipment. These are made on the basis of long-term contracts and the Heckett division is paid a fixed fee for each ton of metal reclaimed. Joe Simpson notes: "Although the division's revenues are included in Harsco's overall sales, they do not reflect any cost of materials, since none are involved."

President Simpson waxes enthusiastic when asked if the Heckett division has any competition: "We have some, but frankly we don't consider it competition. There is not an operation that can begin to approach ours and we are continuing to improve it all the time." A particularly helpful feature pointed out by Joe Simpson: Heckett's installations are in the most modern and up-to-date plants in the steel industry — the ones which are the last to be shut down in times of low operating rates.

Heckett has two new reclamation deals on the fire, both overseas. One is an exclusive ten-year agreement with a "very large steel company in Britain" to handle reclamation of all its blast furnace slag. The other is on the Continent where Heckett will take over reclamation activity at five plants now being handled by a European competitor and confi-

dently expects to provide far better returns.

While Heckett is a sprouting child, Harsco's Harrisburg Steel division has also welded a substantial growth record for it supplies the fast-growing industrial gas field. Its cylinders house oxygen, argon, hydrogen, nitrogen, acetylene and similar gases used in welding, scrap yards, hospitals, ships, aircraft and missiles. Harrisburg Steel also produces seamless steel pipe couplings and drop-forged steel flanges.

Other Harsco divisions are Taylor-Wharton, Edlund Machinery, Broderick Company, Globe Imperial, Standard Die Set, Colman Company and Capitol Manufacturing, all acquired between 1953 and 1959. These divisions have twelve plants in eleven cities throughout the East, Midwest and South. They have led Harsco into the related lines of steel forgings and heavy machinery.

One recent expansion move which

Harsco diversifier Simpson



Joe Simpson says bluntly "did not work out satisfactorily" was Ainsworth-Precision Castings. The combined product of separate acquisitions in 1955 and 1957, Ainsworth-Precision suffered substantial losses in 1958 and despite a realignment of its operations again showed red in 1959. As a result the company was sold to Fulton Cotton Mills. While total sales of Harsco are diminished by about \$25,000,000, president Joe Simpson says it "obviously has eliminated a drag on earnings." Ultimate cash realization from the sale is expected to be in the neighborhood of \$11,000,000.

With Ainsworth-Precision now out of the picture, Joe Simpson reports all divisions are operating in the black ("though a couple of small ones are just barely"). For the first half of 1960 Harsco showed sales of only \$39,300,000 *v* \$50,160,000 in like 1959 but profits were up to \$4,213,000 or \$1.40 a share *v* \$1.34.

For the full year Joe Simpson expects Harsco to do as well as or better than its record 1959. One ten-year comparison he neglected to mention: Harsco stock is now selling around 25, compared with 21¼ a decade ago.

Personal Touch at Signode

INSTEAD of telling the history of his company or what it does, chairman John W Leslie of Signode Steel Strapping Company recently took an unusual approach to a New York Security Analysts presentation: he told his fellow-lunchers about the people who make Signode hum.

The 74-year-old chairman of the Chicago-based maker of steel strapping for packaging of goods had this to say about his top four men:

- Of 54-year-old production vice president John McGregor: "He left Knox College after his junior year and decided to 'cover the waterfront,' see as much of industry as he could. He took jobs for one or two-month periods in 20 different companies and with each one learned some new skills. He came to us as a tester in our mechanical lab. He liked the company and decided to abandon his roaming ways. He rose to become vice president in charge of manufacturing in 1945. Though cost-conscious and very realistic in his managerial approach, he is liked and well respected. He has grown with the company and with his own growing responsibility."

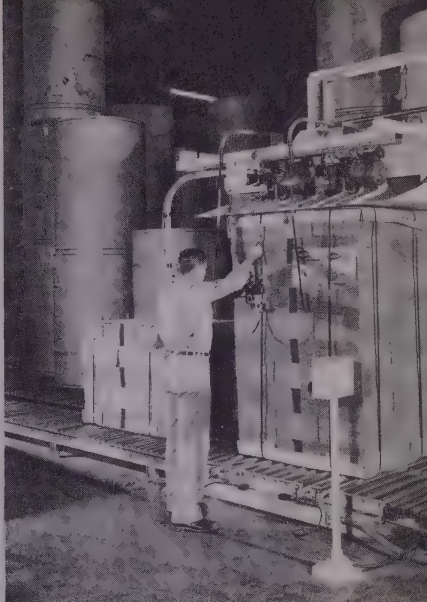
- Of John Milton Moon, also 54, executive vice president with special emphasis on sales: "He came to us as a draftsman in the engineering department following his graduation from Antioch. With us he worked his way up from field engineer to sales manager, then vice president in charge of sales and now executive vice president. His experience in engineering and sales have given him an excellent background. He has 500 salesmen and sales engineers and sales office personnel under him and it is under his supervision that applicants for these positions are rounded up and screened very severely. He has great enthusiasm and his tact is an ideal quality for an executive vice president."

- Of 54-year-old vice president &

treasurer Joseph Pois: "He has done a great deal of work for the Government. Many times we have had to loan him out for some purpose. He joined the company in 1947 and from 1951 to 1953 was loaned to the State of Illinois to work as director of finance under Governor Stevenson. Previously he was with J L Jacobs & Company, managerial engineers. During the war he served as a captain in the Coast Guard."

● Of his son, president John H Leslie: "Jack is 46. He came to us in 1937. He is a graduate of Harvard in engineering and science. You know, there are blessings in disguise. He was by nature an extreme south-paw. His parents tried to make him eat, write and do other things with his right hand before it had been shown what troubles this could cause. As a result he had a reading and speaking disability which took many years to cure but which caused him to work a great deal harder. He has a great will to succeed.

"In addition, he was handicapped in some sports, so he took to working with tools and electrical equipment and developed unusual skills in planning and building. When he came to us in our engineering department he promptly made some valuable contributions. After four years, he left our company and went to Stewart-Warner where his first job was designing the heating system of an Army Air Corps bomber. He became chief engineer of their heating division within three years. He returned to us at Signode as vice president and chief engineer in 1946."



Mechanized strapping by Signode

Outside Advice. The senior Leslie paused: "I'd like to say a word or two about his appointment as president. As I neared the normal retirement age we sought the advice of the consulting firm of Rorer, Hibler & Replogle and asked them to recommend a candidate for president. They said any one of the four top men in the company. They additionally recommended that in spite of his juniority Jack should be made president. Every Signode person had spoken highly of him. I cover this in some detail because there is always a logical suspicion of nepotism when leadership is handed down within a family in any organization." He concluded: "These four men are married, have an average of two or three children and have happy and cooperative families. They get normal recreation but they en-

joy their work. They are not self-centered and they lend a good deal of time to civic improvement causes. Their ethical standards are high. Since 1949 when my son became president and Milt Moon became executive vice president, sales and profits of Signode have tripled. Full credit belongs to them."

John Leslie who became president of two-year-old Signode in 1916 skipped the history of his company because he had told the story before (as has INVESTOR'S READER, June 20, 1945 and March 7, 1956) and he spent little time telling what the company does. Its two main jobs are: 1) producing steel bands used for packaging most any kind of goods from appliances to new-cut logs floating to pulpmills and 2) the machines which apply this strapping to the goods. The machines are getting more complicated and versatile, handling hot metal and adjusting to numerous sizes and shapes by electronically feeling their way around the package.

Signode sales for the first half were \$30,296,000, off just a shade from \$31,406,000 in 1959's first half. Earnings too were down just a shade to \$2,479,000 or 82¢ from 92¢ in the year earlier period. Covering the financial aspect of the company, finance chief Joe Pois said Signode looks for earnings of \$3-to-\$3.10 for the full year against \$3.22 a year earlier. Sales are expected to rise somewhat to \$59,500,000 from the \$57,021,000 of 1959. But Joe Pois adds this qualification: "This assumes that we'll have an upturn in the fourth quarter. If that doesn't

materialize, we'll have to change the estimate."

Signode's growth has been something to conjure with—11.3% a year since 1940. Conjuring a little further, Joe Pois shows by means of a graph the company could expect to have sales of \$93,000,000 in 1964 and \$158,000,000 in 1969. He warns: "I have to stress that this is purely a product of statistical calculation." But he also says that if Canadian operations were figured in the total would be \$6,000,000 higher in 1964 and \$8,000,000 higher in 1969.

Growth has also marked Signode stock which has risen from 41½ in 1950 to 26 in 1956 to the current high just over 60 on the NYSE. With cash dividends on a \$1 annual basis, this makes for a real growth-stock-like yield of 1.7% on the 1,460,000 shares. For the past four years, however, Signode has supplemented its payments with a 3% stock distribution.

John Leslie takes pride in the 2,000 people at Signode, ranks them tops in "team spirit." He adds: "Our company has democratic informality and no social caste system. We eat in the same cafeteria; there is no reserved parking space for the officers."

One of the factors in this teamwork is the company's profit sharing plan. Assets are \$14,000,000, including 100,000 shares of Signode. The total consists of employee contributions of \$1,500,000, company contributions of \$5,000,000, fund earnings of \$1,500,000 and, most significantly, \$5,800,000 of capital appreciation.

A NEW TOP BY DI-NOC

By the simple application of a new vinyl-based paneling called Dinolite this young lady can turn an old table top into a new pine-grained one. All she does is wash the surface, peel the paper covering from the back of the Dinolite and apply. Once set it reportedly resists wear & tear.

Dinolite is a product of Cleveland-based Di-Noc Chemical Arts Inc and will make its market debut by means of a coupon offer in the October *Popular Science* at \$2 for a two by four foot piece. Meantime manufacturer Di-Noc ("di" for diurnal, "noc" for nocturnal — from the day & night advertising characteristics of its decal transfers) is busy making most of its money from photographic plates and emulsions which it sells to the trade. These brought in a record \$5,322,000 volume in 1959; Di-Noc's 62-year-old president Edwin A Sweet predicts the company will add \$1,000,000 in sales a year for the next five.

Profitwise Di-Noc has also thrived. It earned \$525,000 or \$1.84 a share last year v \$299,000 or \$1.05 in 1958. President Sweet hopes the Di-Noc treasury will show between \$2.15 and \$2.25 a share this year.

Now bulging at the seams, Di-Noc's Cleveland plant operates a three-shift, seven-day week. Says vice president Franklin T Sweet, son of president Edwin: "We've managed to increase volume by increasing efficiency." Di-Noc's photographic products division is due to move to a new 60,000 square foot plant near photo capital Rochester. The old obsolete plant of subsidiary Cramer Corp in St Louis is being sold.

The 297,000 Di-Noc shares trade over-the-counter around 41, up from 1 ½ as recently as 1950. Ahead of them are \$729,000 in 5 ½ % convertible debentures and a \$1,200,000 revolving credit. President Sweet says the debentures are being converted at a good rate. If all of them were converted, it would boost the common outstanding to around 350,000 shares, still a small number for a public market.

Edwin Sweet says Di-Noc has no listing ambitions currently. He also notes "we are approached an average of twice a month by companies wanting to buy us" but insists Di-Noc would prefer to be on the buying side of any possible merger.



TV Challenger ABC Moves Up

Nitetime Show Success
Crowds Rival Webs
In Video Race

WHEN Leonard Harry Goldenson seven years ago merged his well-heeled Paramount Theatres with financially poor American Broadcasting few people thought he had a chance against much bigger CBS and NBC (owned by mighty RCA). But with hard work, helpful teammates, Paramount's cash and ABC's major-market TV stations, Leonard Goldenson did the job.

Today the \$156,000,000-assets TV, radio and theater complex (headquartered in old livery stables on Manhattan's West Side) ranks second in the highly competitive prime evening hour TV network race. President Goldenson points up the fast track: "DuMont dropped out in 1955 and we had hard going until the 1957/58 season." But he proudly notes: "ABC is currently in second place—we've passed one network [NBC] and are closing the gap on the other [CBS]."

Although the ABC-TV network has moved into second place in national evening audience circulation, it still ranks a decided third in day & night TV dollar sales. Last year ABC's total time billings came to \$125,700,000 compared with \$235,000,000 for NBC and \$286,400,000 for CBS. Leonard Goldenson explains this paradox: "Traditionally TV billings lag behind circulation." He also notes ABC has a lower average rate structure which of course cuts total dollar intake but often en-

ables ABC to outsell its competitors. Another factor is ABC only started to enter the daytime TV market two years ago.

Much of ABC-TV's success is the direct result of Len Goldenson's vigorous showmanship and his ability to pick guys who go places—most notably 42-year-old Oliver Treyz who has been president of the ABC unit since 1958. Sometimes, as often happens in show and other biz, the high-powered associates also go to other places. Exhibit No 1: 51-year-old Robert Kintner who headed ABC for two years before the merger and stayed on until 1956; now he is president of NBC (where he succeeded the meteoric Pat Weaver, now an advertising executive). Another ex-ABC hand is James Aubrey who now presides over the CBS network.

Lawyer Len . . . When Leonard Goldenson took over ABC after the 1953 merger he had already accumulated 20 years experience in the entertainment world. Although not a showman by profession, Len Goldenson got caught in the whirl of the theater after he graduated from Harvard Law School (class of 1930) and joined the legal staff at Paramount Pictures. As Leonard explains: "I was sent to reorganize the company's New England theaters. To do the job I had to learn the theater business from the boards up. I liked it and must have done a good job—Frank Freeman, then a vice president, asked me to stay with the company and become assistant in

charge of all theater operations." One year later in 1938, the 33-year-old attorney was in charge of all 1,700 Paramount theaters. Following the antitrust decreed divorce between Paramount production-distribution and exhibition facilities in 1950, Goldenson was elected head of newly created United Paramount Theatres Inc.

Many of the movie houses were more valuable for real estate than exhibition purposes. In the orderly slimming down of its vast property holdings, Paramount Theatres generated a large and fairly steady flow of return-of-capital cash which begged for reinvestment in new ventures. And foremost of numerous ABC needs was adequate cash to build up the network. Thus exhibitor Goldenson, who had acquired first hand knowledge of the new medium through Paramount's Chicago TV station WBKB, felt confident in fostering the unconventional merger with American Broadcasting.

As headman at newly created ABC-Paramount (Big Board symbol: ABP), his first job was building the TV network's programming. As showman Goldenson concisely states: "ABC-TV needed quality programs to attract sponsors who in turn would provide money for the network to produce more quality programs."

Through his long movie association, Leonard got master craftsman Walt Disney to produce the fledgling network's first big hit—Disneyland in 1954. In return ABC invested \$500,000 in Walt's Disneyland amusement center. Last July the company sold its interest back to



Control room at ABC-TV

Disney Productions for \$7,500,000 and since there has been a flurry of rumors Walt Disney may be producing for rival network NBC in the future (ABC still has exclusive rights to the coming season).

In 1955 America's kiddies received more attention (and ABC more cash) when the Mickey Mouse Club went on the air. Adults were also in for an unquestionably attractive surprise—under the sponsorship of Len Goldenson the American Western grew up with Wyatt Earp, Cheyenne, Maverick and Sugarfoot riding the treasure trail. As a result ABC-TV moved into the black for the first time.

Along with its program buildup, ABC-TV was getting over another major hurdle: its limited affiliate station line-up. As prexy Goldenson explains: "Although we had five major stations in the chief markets, this was supplemented by only six

primary station affiliates." Now ABC's coverage of the total viewing public has risen to 88% of TV homes via 110 primary affiliated stations.

Sports and Affairs. Says Leonard Goldenson: "Having established our programming structure with entertainment shows" which leading TV critics like John Crosby of the New York *Herald Tribune* consider not of the same caliber as ABC-TV's ratings, "this season we're expanding our sports coverage and public affairs programs."

Part of the line-up for 1960/61: old-favorites like *Maverick*, *Lawrence Welk*, the *Real McCoys*, *77 Sunset Strip*, *Walt Disney Presents* and *The Untouchables* (Emmy award winner but John Crosby rated it the "worst show that was ever on television"); also a number of new shows such as situation comedy *Guestward Ho* with Joanne Dru.

ABC-TV also will air the first

adult cartoon series, called *Flintstones* (see sample below), NCAA football and the Saturday night fights. Leonard Goldenson particularly cites a new Winston Churchill series which will combine original drama and unusual historical film "to recreate the life of one of this century's most memorable figures. It will have an original musical score by Richard Rodgers."

With things almost SRO at home, ABP has gone overseas. It set up an International Division last year. Len Goldenson points out: "At present there are only 30,000,000 TV sets outside of the US; within the next decade there should be 100,000,000."

The International Division has helped form a Central American television network which will use boosters to beam TV to Guatemala, Honduras, El Salvador, Nicaragua and Costa Rica; it has also acquired a minority interest in stations in these five Central American countries. The



hookup is the "first commercial television network established in the Western Hemisphere outside the US." President Goldenson explains its importance: "It will be one of the leading communication forces and may help in the formation of a common market in this vital area."

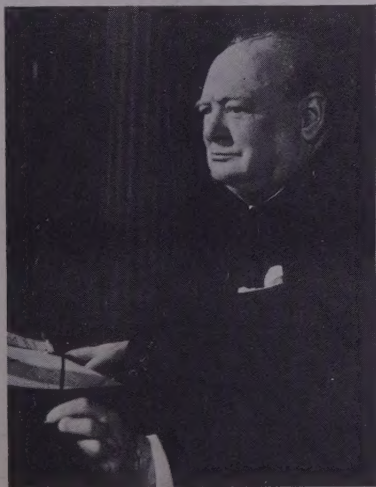
In addition ABP is "looking into the possibilities in South America" and earlier this month Leonard Goldenson left to do some of the looking first hand. First result: in Caracas last fortnight he announced the purchase of a minority interest in a Venezuelan network. Outside the Hemisphere ABP has a stake in an Australian station.

Cinema Cash. As planned from the start, much of the cash to finance ABC-TV's phenomenal seven-year growth has come from Paramount theaters. Although theater attendance has dropped in recent years, ticket sales still contribute importantly to company earnings. An-

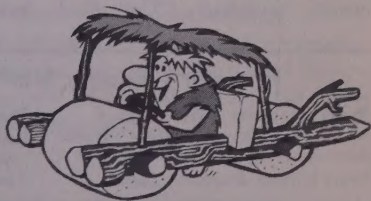
other plus is capital gains from sale of unprofitable or marginal theater properties. The company will dispose of some 25 theaters this year which will leave about 475, including 20 drive-ins. This is well on the road toward president Goldenson's theater ideal of 350.

Candidly Len Goldenson admits: "Our theaters do not have the growth potential of our TV operations. But I feel they have their own vitality. Some great pictures are being made which will be the magnets drawing folks to the theaters." Prexy Goldenson also strikes an optimistic note for ABC's radio operations: "Like the rest of the industry our radio network has been operating in the red but I look for an improvement in operations."

Further rounding out American Broadcasting-Paramount Theatres entertainment globe is the Am-Par Record Company, started in 1955. Reports president Len: "Although



A billboard display of some of ABC-TV's coming attractions for the 1960-61 season: old standbys Elliot Ness and Grandpa McCoy plus two new features: Sir Winston Churchill and 'adult cartoon' Flintstones.



we started from scratch five years ago, today Am-Par probably ranks as the sixth leading record company." He particularly notes the exceptional performance of Am-Par's Command line of stereo records and "the very substantial growth of the company's album sales."

The last of AB-Paramount Theatres' theatrical enterprises is a 600-acre tourist center at Weeki Wachee Spring, Fla. It features an unusual underwater show soon to be viewed in a new auditorium 14 feet below the water's surface. ABP got this in 1959 for an undisclosed sum.

Other Ventures. On a much smaller scale is a toehold in electronics. In 1952 the company bought an interest, now 25%, in electronic component maker Microwave Associates. Later came a 21% wedge of Technical Operations, an R & D specialist. And in 1956 ABP added a third electronics interest with Dynametrics Corp, an aircraft and missile instrument manufacturer and contract engineer. These companies reinvest their profits but ABP's original investment of \$800,000 or so now has a market value of \$12,000,000.

Last year with the acquisition of Prairies Farmer Publishing Company the company moved into the publishing field. But Leonard Golden-son explains: "The deal was

sparked to gain its 50% interest in Chicago's WLS radio station." ABP already owned the other half.

Box Office. ABP's success with viewers has made a hit with the stockholders. Last year American Broadcasting-Paramount Theatres' total revenues were a record \$287,900,000 for an 18% gain over 1958. Operating net came to \$7,960,000 or \$1.87 a share, a 49% increase over the \$5,340,000 (\$1.21) of 1958. In the first half of this year the trend continues. Profits were \$5,653,000 (\$1.35 a share), the highest in company history and a 45% increase over the first half of 1959.

For the full year Leonard Golden-son predicts "revenues considerably ahead of last year." Earnings also are expected "to move ahead" and are estimated at \$2.75-to-\$3 a share. He also notes: "At year end we'll take into consideration stockholder interest in a dividend raise [current rate: 25¢ quarterly] * * * but our company is growing at a rapid rate and we must maintain a strong cash position." Additional financing is unlikely because the company already has \$55,000,000 in long-term debt and 68,000 shares of \$1 preferred ahead of the 4,149,000 common shares. As one reflection of the prosperous state of affairs, the common last week traded at 40, just about double last year's low.

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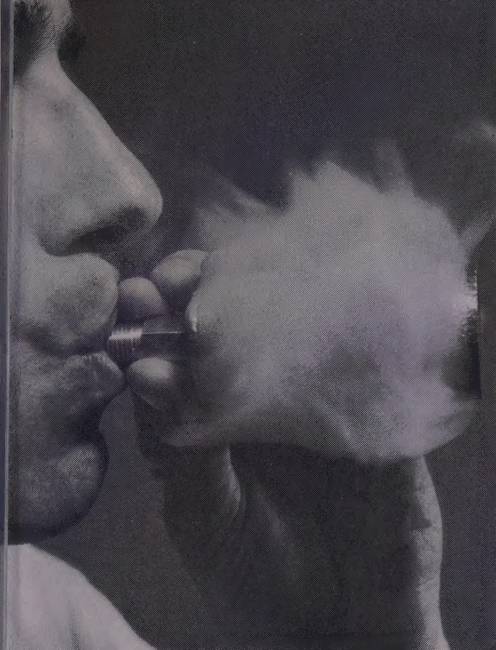
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PALL PORES PEP

Pall Corp of Glen Cove, LI does not recommend smokers puff through this unique metal filter for a change of pace. It simply wants to vividly demonstrate the microporous openings (so small they cannot be seen by the naked eye) of its precision-made metal filters. Executive vice president-treasurer Abraham Krasnoff explains: "By sintering metal powder or wire through controlled heating just below the melting point we fuse adjacent strands or particles to form a fused whole with rigid, micron-

sized openings." Pall makes an extensive line of filters out of stainless steel, nickel and monel (stainless-nickel alloy) as well as "noble" metals like platinum and gold. Filters range from thimble-size for aircraft and missile valves to large 1,000-foot filtration installations for the petrochemical industry. The company also buys glass fibers from Johns-Manville and Owens-Corning and molds them for use in instrument insulation and missile nose cones.

This maze of filters has produced an estimated \$6,700,000 volume for Pall in the year ended July compared with \$4,470,000 the previous year. Still in the computation stage, earnings "look as though they will range around \$370-to-390,000" v \$246,000 in fiscal 1959.

Pall's set of metallic purification and clarification equipment is the brain child of 46-year-old company founder, scientist, president and chairman David Pall. Relates Abe Krasnoff: "Back in 1946 when technological developments in industry demanded more sophisticated control mechanisms Dr. Pall ingeniously adapted sintered stainless steel for the job."

Abe Krasnoff concludes: "As technology constantly moves ahead we are in there working not only in the development of new filters but also in the area of new filtering media such as high alloy metals."

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TAKING PART

An oar in every man's boat, a finger in every pie, many irons in the fire . . . No wonder there are so many proverbs on this subject. People have been taking part in other people's enterprises since time immemorial.

Queen Elizabeth I balanced England's budget by backing Sir Francis Drake in his round-the-world voyage. Robert Morris helped to finance the American Revolution by making available to the government the profits from his shipping, privateering, and brokerage interests.

But it remained for the Twentieth Century to make investing every man's privilege. Once upon a time you had to have a tidy sum in hand before you could even think about investing. Today you can start with as little as \$40 and add \$40 more every month or every quarter through the Monthly Investment Plan.

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